

## **REMARKS**

### **1. Summary of the Office Action**

In the Office Action mailed March 19, 2008, the Examiner (1) rejected claims 5-9 and 12-14 under 35 U.S.C. § 112, second paragraph, as being indefinite, (2) rejected claims 1-11 and 14, 22, and 25-29 under 35 U.S.C. § 102(b) as being unpatentable over European Patent Application Publication No. 1058217 (Prasad), and (3) rejected claims 12, 13, 23 and 24 under 35 U.S.C. § 103(a) as being unpatentable over European Patent Application Publication No. 1058217 (Prasad), in further view of U.S. Patent Application Publication No. 2002/0128967 (Meyer et al.).

Applicant respectfully submits that as amended the claims are novel, non-obvious, and allowable, and thus requests that the rejections to these claims be withdrawn.

### **2. Status of the Claims**

Presently pending are claims 1-24, 26-28, and 30, of which claims 1 and 15 are independent. In order to expedite allowance, Applicant has amended claims 1, 5-9, 11-15, and 27-28, and canceled claims 25 and 29. In addition, Applicant has added new claim 30. Applicant submits that these amendments contain no new matter and that support for these amendments is readily found throughout the specification.

### **3. Response to 35 U.S.C. § 112 Rejection of Claims 5-9 and 12-14**

As noted above, the Examiner rejected claims 5-9 and 12-14 under 35 U.S.C. § 112, second paragraph, as being indefinite. In particular, the Examiner stated that the language “according to any preceding claim” should be changed to point to a specific claim. Applicant has amended claims 5-9 and 12-14 to each point to a specific claim. Accordingly, Applicant requests that the § 112 rejection be withdrawn.

**4. Response to 35 U.S.C. § 102(b) Rejection of Claims 1-11 and 14, 22, and 25-29**

As noted above, the Examiner rejected claims 1-11 and 14, 22, and 25-29 under 35 U.S.C. § 102(b) as being unpatentable over Prasad. Applicant respectfully submits that Prasad does not teach or suggest each and every element of claims 1-11 and 14, 22, and 25-29.

**A. Claims 1-11 and 14**

At the least, Prasad does not teach or suggest the features of claim 1 involving (a) receiving an indication from a first cardholder at a first merchant terminal that a transfer of funds is required to a second cardholder (b) generating a first payment card transaction at the first merchant *terminal* between said first merchant and said first cardholder, and (c) generating a *second* payment card transaction at the second merchant *terminal* between said second merchant and said second cardholder.

Prasad discloses a system and method that uses a “transfer” account that can be accessed by a “sibling card” distributed by the account owner. According to Prasad, the account holder specifies that one or more "sibling" ATM, debit and/or Smart cards be linked to the transfer account and be able to access funds in the transfer account, wherein the account holder provides the sibling card to individuals of the account holder's choosing to provide the selected individuals with access to the funds specified for the particular sibling card. Prasad explicitly states that the core inventive principle is the attachment of an ATM, debit and/or "Smart" card to an account that allows specified access to the account but is not held by an owner of the account.

While Prasad labels an account as a “transfer” account, there is no actual “transfer” to speak of, only “communal provisioning” of what is for all intents and purposes is a joint account.

According to claim 1, an indication is received from the first cardholder, at the first merchant terminal, that a transfer to the second cardholder is required. The steps to carry out this transfer, which involve the first and second payment card transfers, then occur. Thus, claim 1 involves two distinct transactions that are related in that the indication from the first cardholder coordinates the transaction. There is simply no such relation or coordination between transactions in Prasad. In Prasad, once access to the account is granted, the account owner deposits funds as they see fit, and within the established limitations, the holder of the sibling card can access and withdraw funds as they see fit.

In addition, Applicant respectfully submits that the Examiner's reading of Prasad's "sibling card" on the claimed "cardholder" feature is incorrect. Practically, Prasad substitutes the bank customer for the bank as the card issuing entity (and as the entity that grants access to the account). Since all of the system (and/or method) features taught by Prasad for the establishment of "sibling card" access to the account, differ greatly from the steps required of the first and second cardholder to participate in the first and second transactions, the claimed cardholders cannot be equated to sibling cards.

Further, Applicant respectfully submits that in reading Prasad's "ATMs" on the claimed first and second merchants, the Examiner has overlooked the technical feature of the said first and second merchants – the claimed transactions are between respective cardholders and merchants, not between respective cardholders and merchant *terminals*. It is hoped that the claims amendments submitted herewith will render the distinction clearer.

For the foregoing reasons, Applicant submits that Prasad does not teach or suggest each and every element of claim 1. Claims 2-11 and 14 are dependent on claim 1. Therefore, Applicant submits that claims 2-11 and 14 are novel and allowable for at least the reason that

claims 2-11 and 14 depend from an allowable base claim. Accordingly, Applicant requests that the § 102(b) rejection in regards to claims 1-11 and 14 be withdrawn.

**B. Claims 15-21, 22 and 25-29**

Applicant has canceled claims 25 and 29. Therefore, the § 102(b) rejection of these claims is moot. Thus, Applicant requests withdrawal of the § 102(b) rejection of claims 25 and 29.

While it is unclear from the Office Action whether or not claims 15-21 are included in the § 102(b) rejection, Applicant will assume, for sake of completeness, that claims 15-21 were included in this rejection. Claim 15 involves features that are similar to those of claim 1. In particular, claim 15 involves (a) means for receiving an indication from said first cardholder at said first merchant terminal that a transfer of funds is required to said second cardholder; (b) means for generating a first payment card transaction at a networked the first merchant terminal between said first merchant and said first cardholder, wherein said first payment card transaction is a first immediate transfer, debiting said funds from said first cardholder and crediting said funds to said first merchant; and (c) means for generating a second payment card transaction at a networked the second merchant terminal between said second merchant and said second cardholder, wherein said second payment card transaction is a second immediate transfer, debiting said funds from said second merchant and crediting said funds to said second cardholder. As explained above in relation to claim 1, Prasad does not teach or suggest such features.

As such, Applicant submits that claim 15 is novel and allowable. Claims 16-22 and 26-28 are dependent on claim 15. Therefore, Applicant submits that claims 16-22 and 26-28 are novel and allowable for at least the reason that claims 16-22 and 26-28 each depend from an

allowable base claim. Applicant also submits that new claim 30, which also depends from claim 15, is also novel and allowable as depending from an allowable base claim. Accordingly, Applicant requests that the § 102(b) rejection in regards to claims 15, 22 and 26-28 be withdrawn.

**5. Response to 35 U.S.C. § 103(a) Rejection of Claims 12, 13, 23 and 24**

As noted above, the Examiner rejected claims 12, 13, 23 and 24 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Prasad and Meyer. Applicant respectfully submits that the combination of Prasad and Meyer does not teach or suggest each and every element of any of claims 12, 13, 23 and 24, and that the subject matter of claims 12, 13, 23 and 24 does not logically follow from the teachings of Prasad and Meyer.

As discussed, Prasad does not teach or suggest the features of claim 1 and 15 involving receiving an indication from a first cardholder that a transfer is required, and generating a first transaction (between the first cardholder and the first merchant terminal) and a second transaction (between the second cardholder and the second merchant terminal) to effectuate the transfer. The Examiner cites Meyer only as reading on claims involving identification of suitable merchants from details of the cardholder. However, Applicant submits that Meyer does not teach the above-described deficiencies in Prasad.

Therefore, claims 12, 13, 23, and 24 are allowable for non-obvious and allowable for at least the reason that claims 12, 13, 23, and 24 each depend from an allowable base claim. Accordingly, Applicant requests that the § 103(a) rejection in regards to claims 12, 13, 23, and 24 be withdrawn.

## 5. Conclusion

For at least the foregoing reasons, Applicant submits that claims 1-24, 26-28, and 30 are in condition for allowance and respectfully requests the Examiner to pass this application to issue. If, in the opinion of the Examiner, a telephone conference would expedite the prosecution of this application, the Examiner is invited to call the undersigned attorney, at 312-913-3341.

Respectfully submitted,

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